

**Minutes from Warmfront Strategy Meeting –
Monday 20th October 2008 @ 10:30 a.m.
NVCO, London**

Attendance:

Paul Maplethorpe	Chair & Rotherham MBC
Kathy Alcock	South East HECA Chair
Harry Fitch	West Midlands Representative
Alan Jones	ESTAC NE
Peter Daley	Eaga
Shane Conway	Northampton Borough Council
Erik Coates	Eaga
Ros Baptiste	Energy Solutions
Andy Stephenson	Durham/Chester-le-Street Council
Sean Johnson	North Kesteven District Council
Darsh Chauhan	UK HECA/Leicester City Council
Helen Atkins	UK HECA Secretariat

Apologies:

David Colbourne	Sefton Council
Denise Marsdon	East Midlands Chair

Welcome and Introductions

PM chaired the meeting and asked members to introduce themselves.

Previous Minutes

Ref: point 9 - PM asked if the annual report sheets had been amended to include existing loft insulation thicknesses. PD wasn't sure and will check with Matt. EK didn't foresee a problem included this information. **Action: PD**

Ref: point 11 – PM asked EK to clarify warranty issues of additional works, those that fall outside the WF grant. Additional works are excluded from the usual warranty and the installer must declare any work by listing what has been done and the cost of the work carries out.

There were no matters arising, minutes were signed off as a true record.

1. Government's funding package announcement

How will the additional money be allocated/spent within WF Scheme?

WF has been allocated a further £74M over two years, of which £50M will be allocated for the current year and £24M for the following year. There is a fall in next year's funding from £354M to £279M. As funding for the scheme was cut last year, this year's increase covers the difference and the scheme will run as business as usual. However, due to economic factors and governments funding announcement there has been unprecedented demand for the service - between 60-70,000 referrals received in August, an additional 10,000 for a usually slow month – so marketing has been suspended for a few months to balance the load and assess figures. 10,000 customers are currently awaiting a survey.

HA asked whether a cut off point would be introduced, where customers would be turned away, if demand continued to increase at current rates and RS asked if increases would affect timelines. Customers would not be turned away as new enquires are already in the system, but new referrals wouldn't actively be sought. If necessary the scheme would look at prioritising referrals e.g. most vulnerable being a priority. Referring insulation measures to CERT is also being used. Timelines wouldn't therefore be affected.

PD will provide a breakdown of grant data at the beginning of November region by region due to the quantity of data involved, and will include timelines within LA area. **Action: PD**

Will the grant maxima be increased as a result (of the additional funding)?

The grant maxima is based on 2005 figures and hasn't increased unlike other costs, such as labour costs. Eaga understands the current level it is not sufficient to cover all aspects and is preparing a report to Government this month to propose an increase, which will be submitted for the new financial

year (April).

Department for Energy and Climate Change – The WF function has been moved to the new department, but it's unclear at this stage what functions and staff from the current departments (BERR and Defra) will be moved over. The Minister is currently being briefed and contacts will be announced shortly.

EC was asked to clarify the referral of loft insulation to CERT. Virgin lofts or where insulation is below 4 inches and WF can trade with CERTs. this funding is then fed back into the WF scheme. Cavity wall insulation is not usually traded.

SC continued by asking whether loft top ups are still carried out and what was the limit. Top ups are still being carried out but heating is always prioritised over insulation. EC thought the limit was 70mm (4"), but will check. **Action: EC**

AS raised issue with WF referring loft insulation as it caused ethical problems for LAs as schemes were conflicting. PD hopes to work on local based schemes.

2. Changes within Eaga

What is the current position with Eaga? Who are the (national and regional) contacts and how are they operating?

PD will send HA an up-to-date copy of the WF contacts list.

Action: PD

Eaga has won the digital switchover contract so some network staff have been seconded for six weeks, therefore contacts within the region have been reduced. This may not have been fully explained to LAs and confusion has arisen within some regions.

Funding affects staffing levels, so network team roles are funded by using staff skills else where within the company (Eaga). Additionally there are some regions that have fewer staff than usual due to vacant positions but people are now being recruited and it's anticipated that network staff will be up to full capacity (21) by the end of the year.

The knock on effect of this is that regional aspects of WF have been lost; PD and EC are aware of the problem and are working to improve it with better reporting mechanisms.

The Director of Warmfront, Adrian Hull has moved on from Eaga and has been replaced by Hayley Peters (hayley.peters@eaga.com).

Are there any implications with the managing arm of Scottish Power?

The Scottish and Southern contracts sit outside WF and have no effect on running of the scheme.

3. LAAs and NI187

Proposed to establish delivery partnerships at county level where NI187 has been designated in the Local Area Agreement?

PD and EC are happy to build partnerships within LAAs. LAs to discuss options with PD on a regional basis.

Action: ALL

When HECA is repealed, will WF still have an obligation to provide LAs with annual reporting information (and at other times by one off requests) and is there likely to be problems with Eaga releasing WF data to LAs for reporting?

After the repeal of HECA, PD does not anticipate any changes in reporting mechanisms and doesn't foresee any problems in releasing data. The annual report will remain the same, but PM will look at the data required by LAs for NI187 and advise PD if its different and what's required.

Action: PM

PD reiterated that he receives lots of ad hoc data requests from LA officers - additional to the usual monthly data - and because of this isn't able to fulfil all requests.

4. Renewable heating systems

Propose the inclusion of renewable specification as a replacement to oil given the current cost of oil and volatile pricing

EC confirmed that air source heat pumps would be a full heating measure available from April following the successful pilot by NEA. Additionally, a trial of 125 solar systems is being carried out now.

No particular model of ASHP is being used; a range of models will be available best matched to a particular property. It's not confirmed which budget ASHP will come out of yet, but most likely to be £4k (oil heating). They won't be pushed before conventional measures where gas is available so would best suit hard to treat properties. A survey will be carried out to establish feasibility and the final decision will lie with the customer. AS raised an issue with a previous trial where the ASHP stopped in very cold weather and AJ suggested longer period of support be applied and a FAQs document be developed for this system, including list of suitable contractors.

CS said clear and concise information was required and he was also aware of problems with the grid supply where multiple systems are installed within close proximity of each other. He wasn't sure of the technical reasoning and will check. **Action: EC**

KA requested that LAs be notified before they're made available, so they can include renewables in their excess payment/HHSRS policies. **Action: PD**

PD thought eventually the maximum number of ASHP installations would be similar to oil fired systems, currently around 2,500 per year.

WF are carrying out random pre-installation checks to ensure that the measures proposed by the contractors are appropriate.

5. Integration with CERT schemes

Is the WF quality criterion likely to extend to that of CERT?

WF criteria is not going to extend as a result of CERT. Works done under WF1 are taken off the grant value for WF2.

If an account with WF is opened and its insulation only and this is passed to CERT, if the same person comes back later for C/H the CERT funding won't be counted against the original WF grant.

6. Priority of measures (e.g. CH before insulation)

When a full grant with all measures is applied for why is CH always first and insulation must wait until CH has taken place?

This is the best use of the grant as heating and hot water are seen as priority measures hence they are done first. There is also the opportunity for insulation to be traded in CERT.

LAs with excess payment funds available, PD can send a list of clients who require top ups to produce whole house measures (HHSRS). Firstly LAs should send numbers and then the logistics can be sorted out afterwards. **Action: ALL/PD**

7. Warmfront advertising strategy

PD mentioned that a clients guide for measures is being printed and will also be available on PDF. PD to forward a copy to PM for distribution. **Action: PD**

Wording on the website is misleading and may cause confusion.

PM and PD have looked at the website and cannot see what this question is in reference to. PM to check and provide details to PD for clarification.

Advertising has decreased/stopped in some areas, why?

As mentioned earlier (Point 1), a two-month stop on advertising or seeking referrals has been put in place due to the unprecedented demand seen in the last few months. This doesn't affect advertising that is already 'in the system', which is still seeping through. This may have caused confusion to LAs who've heard advertising has stopped but are still seeing ads.

Quantities of leaflets are very low at the moment and are being re-printed in small quantities to avoid waste.

KA asked if WF would be participating in council tax mail outs next year as details are being prepared in councils now. PD was unable to confirm and will be better placed to discuss after demand levels have been assessed in Jan/Feb 2009. If demand is similar to now, then WF probably won't participate or could target low take up areas only.

Action: PD

8. Appropriate rules for heating installations in private landlord properties

Why are the rules different for boiler replacements and new heating installations in private rented properties?

To clarify, PD reiterated that if there is no heating and the client is eligible, WF will provide and install a new heating system. If there is already a heating system in place and it breaks down WF do not get involved, as it is the landlords duty to repair. Unless a tenancy agreement states it is the tenant that maintains the boiler, it is the landlord's obligation. Usually, in most agreements it's the landlords responsibly, but if not a copy of the tenancy agreement can be sent to WF to show otherwise.

Boiler replacements are on a like for like basis only and for technical (or safety) reasons will another type be installed. New systems are guaranteed for two years.

Part buy (or partial ownership) properties, which are becoming increasingly more available, are eligible for WF grants.

It is illegal for landlords to increase rent to cover any costs of measures. Landlords can claim the tax back only if work is carried out privately, but under WF this is not allowed as it's a grant. This would be for HMRC to investigate; WF/LAs do not police or get involved. Additionally, there are increasing problems with benefit fraud and again, WF cannot get involved in individual cases. It is a fraudulent activity and the DWP/Police would need to be notified.

9. CEEF Projects – data requests

LAs having problems obtaining WF data for CEEF projects due to data protection, is this a national problem or just Leeds Council?

There are no limits to the number of reports produced and data protection shouldn't be a problem. This question may have arisen because Eaga and WF don't pass on (data protected) information to each other, so this may be why data hasn't been released. PD wasn't sure what the question was in reference to and will contact Leeds to clarify and include in the minutes as a post-meeting note.

10. Reduce excess payments

Has there been any development on identifying and reducing excess payments?

Although labour costs have increased, material costs have reduced and WF are hoping to regulate the cost of materials

There are an increasing number of cases where excessive labour costs have been identified?

WF are hoping for more harmonised prices as they will publish a tender for installers in November. Installers will be invited to tender in December and appointments will be made in March 2009 to begin in June 2009. The contracts will be for 1 year with a possibility of 3-year extension. Of the 7-8,000 installers expected to put in a tender submission, only 100 of these will be successful.

Harmonising prices will consist of obtaining the cheapest price per area by looking a four neighbouring regions to obtain the cheapest price.

Can WF try to engage more locally based contractors?

Contracts are issued by tender, so it is up to the (tendering) company to decide whether it's feasible to spend money on petrol to win contracts in other areas. Smaller companies, which are generally more local, are encouraged to tender but the H&S bond of £25k is unobtainable for some businesses. Also, smaller companies don't have the capacity to fulfil demand in one area. However, it is within the WF contract if companies want to sub contract work.

PD said it should be noted that mileage is not included in labour costs and any contractor including this on invoices should be reported to him.

11. Earth bonding procedures

Inspections have identified that earth bonding is being omitted by WF installers. Could you clarify what WF's policy is for earth bonding for heating installations?

The current level of inspections is visual only and EC is looking at training requirements and whether to extend inspections to cover internal checks too. Earth bonding therefore wouldn't be checked and he was very concerned that earth bonding wasn't being carried out, as it's such a serious matter. He will investigate cases and asked that if anything else like this had been found to pass on details to him. PD added that Jim McVie is the technical contact for LAs to report any problems:

technical.department@eaga.com

Action: HF/PD

Updates from Eaga

The National Audit Office Value for Money review is expected to be released shortly. The two reports by White Young Green on CH Costs and Charges and Oil and Gas Price Review can be found at: <http://www.defra.gov.uk/Environment/climatechange/uk/household/fuelpoverty/warmfront/vfm.htm>.

Any Other Business

- 1) The case study from Alan Lupton was provided, but due to the sensitive nature will be looked at by PD.
- 2) RB enquired if there was a CAP 1 hazards lists. The relevant authorities hold the lists.
- 3) SJ mentioned that the web portal data was out-of-date and asked if it could be maintained. PD responded by saying that it was updated regularly, but cases where the measures have been installed but there are outstanding issues such as payment will show up as not finished. PD will forward a list of codes. **Action: PD**
- 4) KA asked EC to clarify on a point he'd made earlier, which related to conflicting message that the cost of steel and labour costs has increased whilst the cost of installations will be reduced. The costs of boilers are brought at a fixed cost, but steel and copper prices fluctuate. There are also other costs to consider such as new gas connections, which have risen up to £700 and can vary depending on how much a LA charges for digging up roads.
- 5) KA asked for clarity on procedures for installers quoting for additional work. She had come across a case where an oil replacement quote was received and TRV weren't included. The council were happy to pay the additional cost to make it a whole house measure, however the installer wouldn't re-quote as he said it would need to go back to WF and the process would start from the beginning again. EC said that the installer would need to order more parts but this could be done without having to start the process again. KA to send details to EC and he'll investigate with the installer. In cases like this, in the first instance LAs should use the stakeholder email address: Stakeholders.Enquiries@eaga.com **Action: KA/PD**

Date of next meeting

Proposed date and venue to be circulated shortly.